

Special Reprint



Volume 5, Number 7

www.retailsystems.com

July 2003

FULLFILLMENT

Hi-Tec Automates Transaction Management with Suppliers

The 1.5 million SKU footwear manufacturer develops Web-based supply chain data-sharing processes with trading partners.

Seeking to support consumer replenishment requirements across a global infrastructure, as well as meet demands associated with increased supply chain partners and competition, California-based Hi-Tec Sports USA, Inc. recently decided to automate its inventory transaction management system using a single, Internet-based solution. The previous solution, based on manual, paper-based processes, was resulting in increased human resource demands and inconsistent fulfillment data. The company therefore sought to streamline back-end data flow into a single solution that would be accessible to all trading partners.

Hi-Tec Sports recognized several implementation goals it wished to address with a new transaction management system. These included faster, more responsive replenishment and reduction of supplier transaction costs, overall supply chain inventory while still providing enough product to match demand, and paperwork for financial transactions. Other implementation goals included establishing an environment for secure online payments and reducing credit lines needed to cover existing lines of credit.

By implementing and integrating the Global Trade Transaction Platform from New York-based TradeCard Inc., Hi-Tec Sports has been able to reduce transaction costs, inventory levels, and overall manual paperwork.

Implementation

During 2002 and 2003, Hi-Tec and TradeCard took the following steps to improve transaction management procedures.

1. Hi-Tec formally recognized the need to replace paper-based supply chain data management procedures with an automated Web form solution. Following a product review, Hi-Tec chose TradeCard Global Trade Transaction Platform based on the vendor's ability to support specific business needs of the manufacturer and its supply chain trading partners.
2. Hi-Tec and TradeCard established an implementation project team to oversee completion of goals and to develop a project success roadmap. This included a controller, merchandise manager, IT Director, and CFO, in addition to TradeCard representatives.
3. TradeCard held several project training meetings at Hi-Tec's California offices. A project roadmap was established, including adapting online transaction management from purchase order to payments, developing a global trade transaction management system, introducing systems to suppliers, and automating 100 percent of volume by 2004.
4. Following a close internal review, Hi-Tec and TradeCard began identifying potential international trading partners to take part in the pilot project. The companies selected two locations in Asia, and initiated purchase order document transfer tests.

5. After a series of final testing, the pilot of the live transaction management process began.

Benefits

Hi-Tec transaction costs decreased by 75 percent. Supply chain inventory was reduced while maintaining necessary product availability, and paper documents were eliminated for purchase orders and payments for two out of three initial suppliers.

Future Plans

In addition to increasing the number of suppliers using the TradeCard management solution, Hi-Tec plans to increase automation of financial documentation and further reduce in inventory levels.

Takeaway

In response to complex global supply chain challenges, Hi-Tec Sports USA implemented a new transaction management system that focused on improving overall supply chain visibility. This visibility was not limited to product location data, but rather financial and procurement information as well. As a result, the scope of overall management for the sportswear provider was vastly increased, and overall benefits became easily quantifiable. ■

Source:

Bob Kaiser, Chief Financial Officer, Hi-Tec Sports USA, Inc., 4801 Stoddard Road, Modesto, California 95356 (800) 521-1698; bkaiser@hi-tec.com.

Robert Steir, Director of Business Development, TradeCard, Inc., 611 Main Street, Sausalito CA, 94965 (415) 265-4119; rsteir@tradecard.com.

Supply Chain Alert(SM) (ISSN: 1528-6800) is published by MoonWatch Media Inc. It is a violation of US law to duplicate or reprint this publication for redistribution in any quantity without permission. Parts of this newsletter may be extracted or reproduced in context for inclusion or review in other publications only by permission and with proper credit, including the name and address of this publication.

- Copyright ©2003 MoonWatch Media Inc. -

Editorial address: P.O. Box 332, Newton Upper Falls, MA 02464 (617) 527-4626. Fax: (617) 527-8102. Email address: gbelkin@moonwatchmedia.com.
